

Company Registration No. 08166938 (England and Wales)

WEST DERBY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

WEST DERBY SCHOOL

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WEST DERBY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	I Andain C Birch (Vice Chair) S Price J Cain C Cavanagh P Colligan M Deakin (Staff Trustee) J Jones (Resigned 23 April 2015) J Kyle S Lorder (Staff Trustee) M Mills K Rennie A Webb M Rannard (Resigned 1 September 2015) L Bivon K Callant (Chair) S Graham (Principal and Accounting Officer) (Appointed 1 September 2015)
Members	K Callant L Bivon C Birch
Senior management team	
- Business Manager	B Weightman
- Principal	S Graham
- Deputy Principal	S Blade (Interim)
- Assistant Head Teachers	J Hennessey; C Jones; R Warwick; K Forrest; S Lorder
Company secretary	B Weightman
Company registration number	08166938 (England and Wales)
Principal and Registered office	364 West Derby Road Liverpool Merseyside L13 7HQ
Independent auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT

WEST DERBY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
Liverpool Law Courts
Merchants Court
2-12 Lord Street
Liverpool
L2 1TS

Solicitors

Hill Dickinson LLP
No. 1 St Pauls Square
Liverpool
L3 9SJ

WEST DERBY SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015.

The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for boys aged 11 to 18 years which welcomes girls into the sixth form.

The principal activities of the academy trust are:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy");
- To promote for the benefit of the inhabitants of West Derby and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity and was incorporated on 3 August 2012. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of West Derby School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The charitable company is known as West Derby School.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Academy Trust maintains Trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its Trustees. The Academy Trust has also granted indemnities to each of its Trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 236 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Trustees or other officers may incur to third parties in the course of acting as Trustees or officers of the Academy Trust.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Method of recruitment and appointment or election of trustees

The Academy shall have the following Trustees as set out in its Articles of Association and funding agreement:

- 3 Trustees who are appointed by the Members
- A minimum of 2 and a maximum of 7 Parent Trustees who are elected by Parents of registered students at the Academy
- Up to 3 staff Trustees appointed by peer election
- Up to 6 Co-opted Trustees
- The Head teacher who is treated for all purposes as being an ex officio trustee

The Trustees are appointed for a four year period, except that this time limit does not apply to the Head teacher. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of trustees

All Trustees are issued with an information pack and also meet with the Head teacher. Training is available to Trustees as required using external contractors such as the Local Authority. During the year under review the Full Governing Body met 7 times and there were 21 committee meetings. The training and induction provided for new Trustees depends on their previous experience.

Organisational structure

The Management structure consists of two levels; Trustees and the Senior Managers of the Academy. The aim of the structure is to devolve responsibility to those best able to make appropriate decisions. The Trustees are there to support the senior management team in the running of the Academy. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. In addition they provide support and advice when asked and to be ambassadors for both the Academy and what it is trying to achieve.

The following items are restricted to the board of Trustees: -

- Head teacher appointments (selection panel)
- Deputy appointments (selection panel)
- Dismissal of Head teacher
- Suspending Head teacher
- Ending suspension (head)
- Responsible for standards of teaching
- To consult annually before setting an admissions policy
- Buildings insurance and personal liability
- To institute a health and safety policy
- To publish proposals to change category of school
- To consider whether or not to exercise delegation of functions to individuals or committees
- To draw up instrument of government and any amendments thereafter
- To appoint (and remove) the chair and vice-chair of a permanent or a temporary governing body
- To appoint and dismiss the clerk to the trustees
- To hold a full governing body meeting at least three times in a school year
- To appoint and remove trustees.
- To set up a Register of Trustees' Business Interests
- To approve the first formal budget plan each financial year
- To set the times of school sessions and the dates of school terms and holidays
- To ensure that the school meets for 380 sessions in a school year

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The following items are delegated to committees: -

- To establish a charging and remissions policy
- To enter into contracts and agree a pay policy
- Pay discretions
- Establishing disciplinary/capability procedures
- Dismissal of other staff
- Ending suspension (except head)
- Determining staff complement
- Determining dismissal payments/early retirement
- To monitor curriculum policy
- To decide which subject options should be taught having regard to resources, and implement provision for flexibility in the curriculum (including activities outside school day)
- Provision of sex education - to establish and keep up to date a written policy
- To prohibit political indoctrination and ensuring the balanced treatment of political issues
- To establish a charging and remissions policy for activities
- To establish an appraisal policy
- To review annually the appraisal policy
- To review and publish targets for pupil achievement
- To establish a discipline policy
- To review the use of pupil exclusion where the pupil is either excluded for more than 15 days in total in a term or would lose the opportunity to sit a public examination. (Can be delegated to chair/vice-chair in cases of urgency)
- To direct reinstatement of excluded pupils (Can be delegated to chair/vice-chair in cases of urgency)
- To establish an admissions policy
- Admissions: application decisions (administered by LA on behalf of the school) to appeal against LA directions to admit pupil(s)
- Responsibility for ensuring provision of RE in line with school's basic curriculum
- Maintaining buildings, including developing properly funded maintenance plan
- To ensure that health and safety regulations are followed
- Adoption and review of home-school agreements

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The following items are delegated to the Head teacher: -

- To monitor monthly expenditure
- Miscellaneous financial decisions
- To enter into contracts
- To make payments
- Appoint other teachers
- Appoint non teaching staff
- Suspending staff (except Head teacher)
- Ensure National Curriculum (NC) taught to all pupils and to consider any disapplication for pupil(s)
- To establish a curriculum policy
- To implement curriculum policy
- Responsible for standards of teaching
- To decide which subject options should be taught having regard to resources, and implement provision for flexibility in the curriculum (including activities outside school day)
- Responsibility for individual child's education
- Provision of sex education – to establish and keep up to date a written policy
- To prohibit political indoctrination and ensuring the balanced treatment of political issues
- To establish a charging and remissions policy for activities (non NC based)
- To formulate a performance management policy
- To implement the performance management policy
- To set and publish targets for pupil achievement
- Responsibility for ensuring provision of RE in line with school's basic curriculum
- To ensure that health and safety regulations are followed
- To ensure that the school meets for 380 sessions in a school year
- To ensure that school lunch nutritional standards are met where provided by the governing body.
- To prepare and publish the school prospectus
- To prepare and publish the school profile
- To ensure provision of free school meals to those pupils meeting the criteria
- To put into place the additional services provided
- To ensure delivery of services provided

The Head teacher is the accounting officer

Related parties and other connected charities and organisations

The Academy has no connected organisations or related party transactions.

Objectives and activities

Objectives and aims

The principal activity of the Company is the operation of West Derby School to provide education for boys between the ages of 11 and 18.

Objectives, strategies and activities

West Derby School's priorities are;

- Improving the achievement of pupils
- Improving the quality of teaching and learning (including behaviour and safety of pupils)
- Improving the quality of leadership and management

There is a School Development Plan which details how these priorities will be achieved.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Public benefit

The trustees confirm that they have complied with the duty to have due regard to the public benefit guidance published by the Charity Commission in exercising their powers or duties.

West Derby School strives to play an integral part in the local community by;

Providing services and events to children in local primary schools to promote Sports and Wellbeing with children in the local community.

Inviting primary schools into the Academy at various times of the year.

We have a vibrant Y6 transition programme which includes the provision of a summer school and a range of activities throughout the year.

There is a cyclical timetable of events that students and staff create in support of local and national charities.

Facilitation of meetings for various agencies who support children and families in the area.

Wherever possible, we provide opportunities for young people not attending West Derby School to gain experience in the workplace.

In setting our objectives and planning our activities we are committed to continuing our work for the benefit of the community we serve.

Strategic report

Achievements and performance

See Appendix, School Data Dashboard

Key performance indicators

The trustees feel that the KPI's are pupil numbers and teacher to pupil ratio, which are listed as follows:

From the January 2015 census:

Year 9 and below: 552 pupils, 22 teachers, 22 classes, largest class 31 pupils

Years 10 and 11: 341 pupils, 16 teachers, 16 classes, largest class 32 pupils

Year 12 or above: 115 pupils, 11 teachers, 11 classes, largest class 21 pupils

Income (via EFA/DfE) per pupil: £5,792

Staff costs as a percentage of EFA income: 73%

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

Most of the Academy's income is obtained from the EFA in the form of grants, the use of which is restricted for particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ending 31 August 2015 total expenditure of £6,938,713 was covered by grant funding from the EFA together with other income and resources. The excess of income over expenditure over the year (excluding actuarial losses on the defined pension benefit scheme and depreciation was) £165,180.

The closing net reserves for 2014/15 (excluding actuarial losses on the defined pension benefit scheme) was £25,730,686.

At the 31 August 2015 the net book value of fixed assets was £26,436,930 and movements in tangible fixed assets are shown in the notes to the accounts. The assets were used primarily for providing education and the associated support services to the students of the Academy.

Financial Risk Management Objectives and Policies

The closing Merseyside Pension Fund deficit is £1,066,000.

In line with all Academies the financial and credit risks is low as there is limited access to credit and minimal debtors outside the funding agreement.

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more details below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk – the Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short term borrowing.

Interest rate risk – the Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Reserves policy

The Academy currently has £373,608 of unrestricted reserves and £25,730,686 total reserves.

The Trustees review the reserve levels of the Academy Trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

Investment policy and powers

The Academy's Investment policy is consistent with its charitable status. Investments must always be made in accordance with written procedures adapted by the Governing Body and must always ensure the maximum integrity of such investments.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Risk management

The Trustees have assessed the major risks to which the Trust is exposed. The key risk currently faced by the Academy is that funding changes implemented are reducing current protection mechanisms and the financial autonomy of the Academy.

The Academy Trust has an effective system of internal financial controls and where significant financial risk still remains they have ensured that they have adequate insurance cover.

Principal Risks and Uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

1. Funding and liabilities — this is the primary risk. The continued reduction in funding may result in a significant decrease in estimated income. This will adversely impact on the school budget and the quality of the service provided.

Other risks noted in the strategic risk register. These risks are evaluated as low risk as they are mitigated by the controls and insurances in place. These cover:

2. Reputational risk related to our Trustees.
3. Staff and Governor compliance do not meet statutory and/or legal obligations.

Plans for future periods

The key objectives of the school are to improve the:

1. Achievement of Pupils
2. Quality of Teaching and Learning
3. Behaviour and Safety of Pupils
4. Quality of Leadership and Management
5. Expand the Sixth Form by developing the offer for A level courses to students

Funds held as custodian trustee on behalf of others

No such funds held.

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, UHY Hacker Young Manchester LLP were reappointed during the period and have expressed their willingness to continue in office.

The trustees' report, incorporating a strategic report, was approved by order of the governing body, as the company directors, on 09 December 2015 and signed on its behalf by:

K Callant
Chair



WEST DERBY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that West Derby School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the Head teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between West Derby School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The governing body has formally met 7 times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustees	Meetings attended	Out of possible
I Andain	4	7
C Birch (Vice Chair)	4	7
S Price	7	7
J Cain	1	7
C Cavanagh	5	7
P Colligan	5	7
M Deakin (Staff Trustee)	6	7
J Jones (Resigned 23 April 2015)	2	4
J Kyle	2	7
S Lorder (Staff Trustee)	6	7
M Mills	4	7
K Rennie	5	7
A Webb	6	7
M Rannard (Resigned 1 September 2015)	6	7
L Bivon	2	7
K Callant (Chair)	7	7
S Graham (Principal and Accounting Officer) (Appointed 1 September 2015)	0	0

Governance Review

During the last academic year trustees undertook a skills audit. This information will be evaluated and will form the basis of any resulting changes to Committee membership and also any training requirements. This evaluation will be completed within this current financial year.

WEST DERBY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The Finance Committee is a sub Committee of the main board of trustees. During the year 1 September 2014 to 31 August 2015 the main purpose has been to monitor the ongoing budget situation to ensure that the plans approved by the Board of Trustees are adhered to. In addition the school's ICT managed service ceased as at 31 August 2015. The Finance Committee were responsible for evaluating all of the procurement processes and recommendations. The final decision was to bring the service in house as of 1 September 2015 and so generate significant savings.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
C Birch (Vice Chair)	3	3
J Jones (Resigned 23 April 2015)	0	1
J Kyle	0	3
M Mills	2	3
K Rennie	0	3
M Rannard (Resigned 1 September 2015)	3	3
K Callant (Chair)	3	3

Review of value for money

As accounting officer the Head teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the governing body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reorganisation of reprographics services
- Bringing ICT services in house
- Maximising income via tight scrutiny of contracts for Facilities Management

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Derby School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report financial statements

Capacity to handle risk

The governing body has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the school's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

WEST DERBY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The risk and control framework

The school's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed UHY, the external auditor, to perform additional checks via their internal audit team, although UHY have not been invited to carry out additional checks during this academic year. They are however to be invited to perform some checks during 2015/16.

In addition the governing body have also engaged RPJ3 Consultancy to conduct an independent audit of catering services in conjunction with the school Finance Manager.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In the current period no checks were carried out by UHY.

In relation to the Catering Services Audit, this was a specific one-off assignment. The main recommendations focussed on additional controls around the monitoring of purchases and stock. Plans to address this weakness have already been implemented and satisfactory controls are now in place.

Review of effectiveness

As accounting officer the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the work of the managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- The work of external consultants engaged to conduct an independent audit of catering services in conjunction with the school Finance Manager.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the governing body on 09 December 2015 and signed on its behalf by:

K Callant
Chair

K Callant

S Graham

S Graham
Principal and Accounting Officer

WEST DERBY SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of West Derby School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust's governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the governing body and EFA.

Approved on 09 December 2015 and signed by:



S Graham
Accounting Officer

WEST DERBY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for West Derby School and are also the directors of West Derby School for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the governing body on 09 December 2015 and signed on its behalf by:

K Callant
Chair



WEST DERBY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WEST DERBY SCHOOL

We have audited the accounts of West Derby School for the year ended 31 August 2015 set out on pages 19 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees, who are also the directors of West Derby School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

WEST DERBY SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WEST DERBY SCHOOL

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Robertson (Senior Statutory Auditor)
UHY Hacker Young Manchester LLP

Chartered Accountants
Statutory Auditor
St James Building
79 Oxford Street
Manchester
M1 6HT

Dated: 9/12/15.....

WEST DERBY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST DERBY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Derby School during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to West Derby School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the West Derby School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the West Derby School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of West Derby School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of West Derby School's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

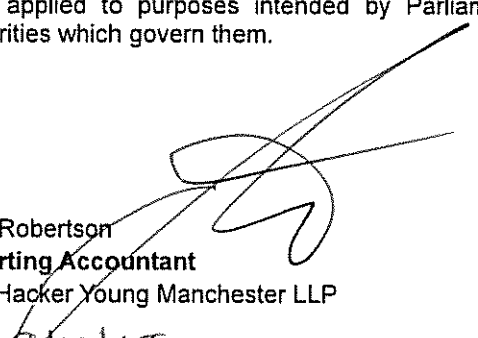
We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants in England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of West Derby School for the year ended 31 August 2015 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

WEST DERBY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST DERBY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Robertson
Reporting Accountant
UHY Hacker Young Manchester LLP

Dated: 21/12/15

WEST DERBY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Voluntary income	2	133	-	-	133	-
- Activities for generating funds	3	660,862	54,170	-	715,032	450,775
- Investment income	4	749	-	-	749	822
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	5,867,193	20,881	5,888,074	6,248,144
Total incoming resources		661,744	5,921,363	20,881	6,603,988	6,699,741
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	-	6,353,784	499,905	6,853,689	6,936,617
Governance costs	8	-	85,024	-	85,024	123,541
Total resources expended	6	-	6,438,808	499,905	6,938,713	7,060,158
Net incoming/(outgoing) resources before transfers		661,744	(517,445)	(479,024)	(334,725)	(360,417)
Gross transfers between funds		(585,972)	464,445	121,527	-	-
Net income/(expenditure) for the year		75,772	(53,000)	(357,497)	(334,725)	(360,417)
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(71,000)	-	(71,000)	625,000
Net movement in funds		75,772	(124,000)	(357,497)	(405,725)	264,583
Fund balances at 1 September 2014		297,836	(942,000)	26,780,575	26,136,411	25,871,828
Fund balances at 31 August 2015		373,608	(1,066,000)	26,423,078	25,730,686	26,136,411

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

WEST DERBY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2015

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		26,436,930		26,829,136
Current assets					
Stocks	12	1,102		-	
Debtors	13	541,641		242,462	
Cash at bank and in hand		343,841		752,170	
		<u>886,584</u>		<u>994,632</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(526,828)		(745,357)	
Net current assets			<u>359,756</u>		<u>249,275</u>
Net assets excluding pension liability			<u>26,796,686</u>		<u>27,078,411</u>
Defined benefit pension liability	18		(1,066,000)		(942,000)
Net assets			<u>25,730,686</u>		<u>26,136,411</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			26,423,078		26,780,575
- Pension reserve			(1,066,000)		(942,000)
Total restricted funds			<u>25,357,078</u>		<u>25,838,575</u>
Unrestricted income funds	16		<u>373,608</u>		<u>297,836</u>
Total funds			<u>25,730,686</u>		<u>26,136,411</u>

The accounts were approved by order of the governing body and authorised for issue on 09 December 2015.

K Callant
Chair



Company Number 08166938

WEST DERBY SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	19	(336,113)	328,230
Returns on investments and servicing of finance			
Investment income		749	822
		<u>749</u>	<u>822</u>
Net cash inflow/(outflow) from returns on investments and servicing of finance		749	822
		<u>(335,364)</u>	<u>329,052</u>
Capital expenditure and financial investments			
Capital grants received		20,881	32,339
Payments to acquire tangible fixed assets		(93,846)	(80,900)
		<u>(72,965)</u>	<u>(48,561)</u>
Net cash flow from capital activities		(72,965)	(48,561)
Increase/(decrease) in cash	20	<u>(408,329)</u>	<u>280,491</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	60 years straight line on buildings
Building improvements	10% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies (Continued)

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.8 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

Restricted pension funds represent the Local Government Pension Scheme deficit inherited on conversion, with movements for any actuarial gains or losses since.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	133	-	133	-

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Catering income	268,856	-	268,856	263,241
Trip income	-	47,591	47,591	64,525
Insurance income	59,356	-	59,356	18,367
Other income	332,650	6,579	339,229	104,642
	<u>660,862</u>	<u>54,170</u>	<u>715,032</u>	<u>450,775</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	749	-	749	822

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	5,838,568	5,838,568	6,173,298
Capital grants	-	20,881	20,881	32,339
Other DfE / EFA grants	-	28,625	28,625	42,507
Total funding	-	5,888,074	5,888,074	6,248,144

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	3,774,877	287,817	766,350	4,829,044	4,887,510
- Allocated support costs	796,533	425,053	803,059	2,024,645	2,049,107
	<u>4,571,410</u>	<u>712,870</u>	<u>1,569,409</u>	<u>6,853,689</u>	<u>6,936,617</u>
Other expenditure					
Governance costs	54,710	-	30,314	85,024	123,541
	<u>54,710</u>	<u>-</u>	<u>30,314</u>	<u>85,024</u>	<u>123,541</u>
Total expenditure	4,626,120	712,870	1,599,723	6,938,713	7,060,158

Incoming/outgoing resources for the year include:

	2015 £	2014 £
Operating leases		
- Plant, machinery and equipment	92,067	236,499
	<u>92,067</u>	<u>236,499</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	3,759,726	3,759,726	3,641,492
Depreciation	-	287,817	287,817	350,772
Educational supplies and services	-	545,222	545,222	574,312
Examination fees	-	69,150	69,150	77,250
Staff development	-	15,151	15,151	9,477
Educational consultancy	-	113,532	113,532	169,361
Other direct costs	-	38,446	38,446	64,846
	-	4,829,044	4,829,044	4,887,510
Allocated support costs				
Support staff costs	-	796,533	796,533	756,674
Depreciation	-	212,088	212,088	212,709
Technology costs	-	2,562	2,562	19,375
Maintenance of premises and equipment	-	212,965	212,965	302,568
Cleaning	-	129,282	129,282	124,896
Energy costs	-	132,560	132,560	77,017
Rent and rates	-	78,029	78,029	111,455
Insurance	-	82,953	82,953	43,925
Security and transport	-	10,370	10,370	29,139
Catering	-	182,799	182,799	188,443
Interest and finance costs	-	27,000	27,000	63,000
Other support costs	-	157,504	157,504	119,906
	-	2,024,645	2,024,645	2,049,107
Total costs	-	6,853,689	6,853,689	6,936,617
8 Governance costs				
	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	14,799	14,799	49,037
Auditor's remuneration				
- Audit of financial statements	-	7,250	7,250	7,250
- Other audit costs	-	8,265	8,265	15,280
Support staff costs	-	54,710	54,710	51,974
	-	85,024	85,024	123,541

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	69	66
Administration and support	52	53
Management	2	2
	<u>123</u>	<u>121</u>

Costs included within the accounts:

	2015 £	2014 £
Wages and salaries	3,561,738	3,493,423
Social security costs	282,685	278,987
Other pension costs	499,813	464,894
	<u>4,344,236</u>	<u>4,237,304</u>
Supply teacher costs	245,838	194,336
Compensation payments	20,895	18,500
Staff development and other staff costs	15,151	9,477
	<u>4,626,120</u>	<u>4,459,617</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£100,001 - £200,000	1	1
	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	2	2
	£	30,378	28,627
		<u>30,378</u>	<u>28,627</u>

Included in compensation payments are payments under settlement agreements which constitute non-statutory/non-contractual severance payments totalling £20,895 (2014: £18,500). Individually, the payments were: £14,980 and £5,915.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. During the year, travel and subsistence payments totalling £436 (2014: £246) were reimbursed to 3 trustees, in their capacity as members of staff.

Other trustees did not receive any payments, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

M Rannard (Headteacher and trustee):

Remuneration - £135,000 - £140,000 (2014: £150,000 - £155,000)

Employer's pension contributions - £15,000 - £20,000 (2014 - £15,000 - £20,000)

M Deakin (Staff trustee):

Remuneration - £15,000 - £20,000 (2014: £15,000 - £20,000)

Employer's pension contributions - £Nil (2014 - £Nil)

S Lorder (Staff trustee):

Remuneration - £55,000 - £60,000 (2014: £55,000 - £60,000)

Employer's pension contributions - £5,000 - £10,000 (2014 - £5,000 - £10,000)

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £94 (2014: £94).

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2014	27,564,647	304,911	195,861	8,500	28,073,919
Additions	11,329	90,652	5,717	-	107,698
At 31 August 2015	27,575,976	395,563	201,578	8,500	28,181,617
Depreciation					
At 1 September 2014	856,320	297,948	86,263	4,251	1,244,782
Charge for the year	432,781	14,844	50,156	2,124	499,905
At 31 August 2015	1,289,101	312,792	136,419	6,375	1,744,687
Net book value					
At 31 August 2015	26,286,875	82,771	65,159	2,125	26,436,930
At 31 August 2014	26,708,327	6,963	109,597	4,249	26,829,136

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets (Continued)

Buildings to the value of £25,160,665 are included in fixed assets at depreciated replacement cost, following a professional valuation as at 31 August 2012 by FHP Property Consultants, a firm of independent Chartered surveyors. The valuation is in accordance with the RICS appraisal and valuation manual. The total land value included in fixed assets is £2,296,000. Land is not depreciated.

12 Stocks	2015 £	2014 £
Catering stock	1,102	-
	<u>1,102</u>	<u>-</u>
13 Debtors	2015 £	2014 £
Trade debtors	1,665	35,147
Other debtors	235,003	66,543
Prepayments and accrued income	304,973	140,772
	<u>541,641</u>	<u>242,462</u>
14 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	-	255,236
Taxes and social security costs	142,724	145,302
Accruals	349,502	317,689
Deferred income (see note 15)	34,602	27,130
	<u>526,828</u>	<u>745,357</u>
15 Deferred income	2015 £	2014 £
Deferred income is included within:		
Creditors due within one year	<u>34,602</u>	<u>27,130</u>
Total deferred income at 1 September 2014	27,130	44,965
Amounts credited to the statement of financial activities	(27,130)	(44,965)
Amounts deferred in the year	<u>34,602</u>	<u>27,130</u>
Total deferred income at 31 August 2015	<u>34,602</u>	<u>27,130</u>

At the balance sheet date the academy was holding funds received in advance relating to trips, catering and rates.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

	Balance at 1 September 2014	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2015
	£	£	£	£	£
Restricted general funds					
General Annual Grant	-	5,838,568	(6,385,808)	547,240	-
Other DfE / EFA grants	-	28,625	-	(28,625)	-
Other restricted funds	-	54,170	-	(54,170)	-
	<u>-</u>	<u>5,921,363</u>	<u>(6,385,808)</u>	<u>464,445</u>	<u>-</u>
Funds excluding pensions	-	5,921,363	(6,385,808)	464,445	-
Pension reserve	(942,000)	-	(53,000)	(71,000)	(1,066,000)
	<u>(942,000)</u>	<u>5,921,363</u>	<u>(6,438,808)</u>	<u>393,445</u>	<u>(1,066,000)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	26,780,575	20,881	(499,905)	121,527	26,423,078
	<u>26,780,575</u>	<u>20,881</u>	<u>(499,905)</u>	<u>121,527</u>	<u>26,423,078</u>
Total restricted funds	<u>25,838,575</u>	<u>5,942,244</u>	<u>(6,938,713)</u>	<u>514,972</u>	<u>25,357,078</u>
Unrestricted funds					
General funds	297,836	661,744	-	(585,972)	373,608
	<u>297,836</u>	<u>661,744</u>	<u>-</u>	<u>(585,972)</u>	<u>373,608</u>
Total funds	<u>26,136,411</u>	<u>6,603,988</u>	<u>(6,938,713)</u>	<u>(71,000)</u>	<u>25,730,686</u>

The specific purposes for which the funds are to be applied are as follows:

- (i) General Annual Grant must be used for the normal running costs of the academy.
- (ii) The other DfE/EFA grants fund is used to track grants provided by local and central government departments.
- (iii) The pensions reserve is a restricted fund to account for the liabilities arising under The Local Government Pension Scheme.
- (iv) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	26,436,930	26,436,930
Current assets	378,753	507,831	-	886,584
Creditors falling due within one year	(5,145)	(507,831)	(13,852)	(526,828)
Defined benefit pension liability	-	(1,066,000)	-	(1,066,000)
	<u>373,608</u>	<u>(1,066,000)</u>	<u>26,423,078</u>	<u>25,730,686</u>

18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Liverpool City Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £365,100 (2014: £358,004).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13% for employers and 5.5 to 12% for employees. The estimated value of employer contributions for the forthcoming year is £133,000.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Contributions made	2015 £	2014 £
Employer's contributions	121,000	124,000
Employees' contributions	43,000	43,000
Total contributions	<u>164,000</u>	<u>167,000</u>

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.8	3.7
Rate of increase for pensions in payment	2.3	2.2
Discount rate for scheme liabilities	4.0	4.0
Inflation assumption (CPI)	<u>2.3</u>	<u>2.2</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

Sensitivity analysis	+0.1% p.a. discount rate	+0.1% p.a. inflation	1 year increase in life expectancy
	£'000	£'000	£'000
Liabilities	1,999	2,097	2,084
Assets	(982)	(982)	(982)
Deficit/(surplus)	1,017	1,115	1,102
Projected Service Cost for next year	147	153	153
Projected Expected Return on Assets for next year	(53)	(53)	(53)
Projected Interest Cost for next year	86	88	87

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2015 Years	2014 Years
Retiring today		
- Males	22.4	22.3
- Females	25.3	25.2
Retiring in 20 years		
- Males	24.8	24.7
- Females	28.1	28.1

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	6.5	591,000	7.0	484,000
Government bonds	2.5	136,000	2.9	111,000
Other bonds	3.6	51,000	3.8	19,000
Cash/liquidity	0.5	28,000	0.5	36,000
Property	6.1	84,000	6.2	63,000
Other assets	6.5	92,000	7.0	94,000
		<u>982,000</u>		<u>807,000</u>
Total market value of assets		982,000		807,000
Present value of scheme liabilities - funded		(2,048,000)		(1,749,000)
		<u>(1,066,000)</u>		<u>(942,000)</u>
Net pension asset / (liability)		(1,066,000)		(942,000)

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

The assumed investment return on government bonds is the yield on 20-year fixed interest gilts at the relevant date. As at 31 August 2015 this yield was 3.4% pa.

The actual return on scheme assets was £24,000 (2014 - £51,000).

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	147,000	127,000
Past service cost	-	-
	<u>147,000</u>	<u>127,000</u>
Finance costs/(income)		
Expected return on pension scheme assets	(47,000)	(26,000)
Interest on pension liabilities	74,000	89,000
	<u>27,000</u>	<u>63,000</u>
Total charge/(income)	<u>174,000</u>	<u>190,000</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations (Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on defined benefit obligations	47,000	(366,000)
Actuarial (gains)/losses on scheme assets	24,000	(259,000)
(Gains)/losses arising from changes in assumptions	-	-
	<u>71,000</u>	<u>(625,000)</u>
Total (gains)/losses	<u>71,000</u>	<u>(625,000)</u>
Cumulative (gains)/losses to date	<u>(576,000)</u>	<u>(647,000)</u>

Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(1,749,000)	(1,856,000)
Current service cost	(147,000)	(127,000)
Interest cost	(74,000)	(89,000)
Contributions by employees	(43,000)	(43,000)
Actuarial gains/(losses)	(47,000)	366,000
Benefits paid	12,000	-
	<u>(2,048,000)</u>	<u>(1,749,000)</u>
At 31 August 2015	<u>(2,048,000)</u>	<u>(1,749,000)</u>

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	807,000	355,000
Expected return on assets	47,000	26,000
Actuarial gains/(losses)	(24,000)	259,000
Contributions by employers	121,000	124,000
Contributions by employees	43,000	43,000
Benefits paid	(12,000)	-
	<u>982,000</u>	<u>807,000</u>
At 31 August 2015	<u>982,000</u>	<u>807,000</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations (Continued)

History of experience gains and losses

	2015 £	2014 £	2013 £
Present value of defined benefit obligations	(2,048,000)	(1,749,000)	(1,856,000)
Fair value of share of scheme assets	982,000	807,000	355,000
Surplus / (deficit)	<u>(1,066,000)</u>	<u>(942,000)</u>	<u>(1,501,000)</u>
Experience gains/(losses) on scheme assets	(24,000)	259,000	22,000
Experience gains/(losses) on scheme liabilities	-	543,000	-

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	(334,725)	(360,417)
Capital grants and similar income	(20,881)	(32,339)
Investment income	(749)	(822)
Defined benefit pension costs less contributions payable	26,000	3,000
Defined benefit pension finance costs/(income)	27,000	63,000
Depreciation of tangible fixed assets	499,905	563,481
(Increase)/decrease in stocks	(1,102)	-
(Increase)/decrease in debtors	(299,179)	47,487
Increase/(decrease) in creditors	(232,382)	44,840
Net cash inflow/(outflow) from operating activities	<u>(336,113)</u>	<u>328,230</u>

20 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash	(408,329)	280,491
Net funds at 1 September 2014	752,170	471,679
Net funds at 31 August 2015	<u>343,841</u>	<u>752,170</u>

21 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	<u>752,170</u>	<u>(408,329)</u>	-	<u>343,841</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

22 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Within one year	23,361	127,329
- Between two and five years	59,814	126,068
	<u>83,175</u>	<u>253,397</u>

Operating leases expiring between 2 and 5 years include annual commitments of £59,814 expiring in December 2016.

23 Related parties

Owing to the nature of the academy trust's operations and the composition of the governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

There were no transactions with related parties during the year.

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 as stated in memorandum and articles of association for the debts and liabilities contracted before he or she ceases to be a member.